Rambøll Danmark A/S

Annual Report 2019

CVR number 35128417

The Annual Report was presented and approved at the annual general meeting on 10 June 2020.

Chair

Rambøll Danmark A/S, Hannemanns Allé 53, DK-2300 København S

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The board of directors and the executive board have today considered and adopted the Annual Report of Rambøll Danmark A/S for 2019.

The Annual Report is prepared in accordance with the Danish Financial Statements Act. We consider the accounting policies applied and the accounting estimates made reasonable. In our opinion, the Annual Report give a true and fair view of the financial position at 31 December 2019 of the Company and of the results of the Company operations for 2019.

In our opinion, the Director's Report includes a true and fair view of the development in the operations and financial positions of the Company and of the results for the year as well as the financial position.

We recommend that the Annual Report be adopted at the Annual General Meeting.

Copenhagen, 10 June 2020

Executive Board:

Ib Enevoldsen	John Sørensen	Asger Knudsen
Søren Thomas Brøndum	Michael Thorndahl Simmelsgaard	Jesper Dalsgaard Jensen
Peter Heymann Andersen		

Board of Directors:

Markku Olavi Moilanen (Chair)	Marianne Sørensen Henriksen (Vice chair)	Ib Enevoldsen
Stephen John Whitham (Employee elected board member)	Peter Gotlieb Dernert (Employee elected board member)	

To the shareholder of Rambøll Danmark A/S

Opinion
In our opinion, the Financial Statements give a true and fair view of the financial position of the Company at 31 December 2019, and of the results of the Company's operations for the financial year 1 January - 31 December 2019 in accordance with the Danish Financial Statements Act.

We have audited the Financial Statements of Rambøll Danmark A/S for the financial year 1 January - 31 December 2019, which comprise summary of significant accounting policies, income statement, balance sheet, statement of changes in equity and notes ("financial statements").

Basis for Opinion
We conducted our audit in accordance with International Standards on Auditing (ISAs) and the additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) and the additional requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Statement on Director's Report
Management is responsible for Director's Report.

Our opinion on the financial statements does not cover Director's Report, and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read Director's Report and, in doing so, consider whether Director's Report is materially inconsistent with the financial statements or our knowledge obtained during the audit, or otherwise appears to be materially misstated.

Moreover, it is our responsibility to consider whether Director's Report provides the information required under the Danish Financial Statements Act.

Based on the work we have performed, in our view, Director's Report is in accordance with the Financial Statements and has been prepared in accordance with the requirements of the Danish Financial Statements Act. We did not identify any material misstatements in Director's Report.

Management's Responsibilities for the Financial Statements
Management is responsible for the preparation of Financial Statements that give a true and fair view in accordance with the Danish Financial Statements Act, and for such internal control as Management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, Management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting in preparing the financial statements unless Management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error as fraud may involve collusion, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.

- Conclude on the appropriateness of Management's use of the going concern basis of accounting in preparing the financial statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and contents of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that gives a true and fair view.

We communicate with those charged with governance regarding, amoung other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Hellerup, 10 June 2020
PricewaterhouseCoopers
Statsautoriseret Revisionspartnerselskab
CVR no. 33 77 12 31

Rasmus Friis Jørgensen
State Authorised Public Accountant
mne28705

Kim Danstrup
State Authorised Public Accountant
mne32201

Name:	Rambøll Danmark A/S
Domicile:	Hannemanns Allé 53, Copenhagen
CVR number:	35128417
Municipality of domicile:	Copenhagen
Ownership:	Rambøll Danmark A/S is wholly owned by Ramboll Group A/S
Board of Directors	Markku Olavi Moilanen, Chair, Group Executive Director, Nordics Marianne Sørensen Henriksen, Vice Chair, Group CFO Ib Enevoldsen, Managing Director Stephen John Whitham (E) Peter Gotlieb Dernert (E) (E) = Employee elected board members
Executive Board:	Ib Enevoldsen, Managing Director Asger Knudsen, Executive Director Jesper Dalsgaard Jensen, Executive Director Søren Thomas Brøndum, Executive Director Peter Heyman Andersen, Executive Director John Sørensen, Executive Director Michael Thorndahl Simmelsgaard, Executive Director
Lawyer:	Steen Rode Bech Bruun Langelinie Allé 35 DK-2100 Copenhagen Ø
Auditor:	PricewaterhouseCoopers Statsautoriseret Revisionspartnerselskab Strandvejen 44 DK-2900 Hellerup
Bank:	Nordea Danmark A/S Strandgade 3 DK-0900 Copenhagen C
Consolidated Financial Statements:	The Annual Report for Rambøll Danmark A/S is included in the Group Annual Report for Ramboll Group A/S, Hannemanns Allé 53, Copenhagen, Denmark, CVR number 10160669, where the Group Annul Report can be obtained.

As in previous years, the main activities in Rambøll Danmark A/S is to provide consulting and engineering services both to the public and the private sector.

Structure
The Company Structure in Rambøll Danmark A/S is divided into five main areas; Buildings, Transport, Water, Environment & Health and Energy, with regional business units and a number of subsidiaries and associates.

In 2019, Rambøll Danmark A/S merged with MMG Denmark ApS, with Rambøll Danmark A/S as the continuing company and demerged a few activities to the new established company Ramboll Accredited A/S.

Development in 2019
The Company's result before financial income and expenses amounts to DKK 176 million compared to DKK 118 million the year before, an increase of 49 %. Profit margin was 6,1 % compared to 4.4 % in 2018. Profit before tax amounts to DKK 167 million compared to DKK 114 million the year before.

The increase in Revenue is to a great extent related to growth in the Buildings sector, and realignment of the Transport sector from public to private customers.

Furthermore, 2018 included an extraordinarily high level of costs for strategic initiatives.

Liquidity and risks
Cash at hand and in bank including deposits on group cash pool accounts constitutes DKK 295 million at balance sheet date compared to DKK 56 million the previous year. The increase is driven both by operational results and tighter working capital management.

The company operates with commercial and financial risks, which are not considered to deviate from what is considered normal for similar companies. This particularly applies to consultancy, for which a professional liability insurance has been taken out. For certain areas total services, including services most often supplied by constructors, are provided which does not influence the total risk significantly.

Corporate social responsibility
Reference is made to the consolidated Annual Report of Ramboll Group A/S.

Employees, diversity and inclusion
In line with our Fundamentals and our commitment to the ten UN Global Compact principles, Ramboll respects all employees, allowing them the same professional opportunities regardless of gender, race, age, cultural background, religion or sexual orientation. As stated in our Freedom of Association Policy, all Ramboll businesses uphold the freedom of association and the right to collective bargaining. Ramboll has a zero-tolerance policy to all forms of forced and compulsory labor. We respect labor rights of our employees and assess labor rights-related risks in our operations as part of our human rights risk assessments. As identified under salient human rights risks, the right to non-discrimination and to enjoy just and favorable conditions of work, including the right to equal pay for equal work and equal opportunities for promotion, are material topics for Ramboll. All employees and business associates can anonymously report any labor rights violations or other issues through our whistleblower system.

An inclusive workplace
To attract qualified employees and responsible clients to our company in the future, it is crucial to mitigate the risk of discrimination by creating an inclusive work environment and understand the opportunities that equality and diversity bring to our business. In 2018, we initiated conversations in Rambøll Danmark A/S to understand local activities and needs in relation to Equality, Diversity and Inclusion (EDI). Based on those conversations, we decided to increase awareness on 'unconscious bias' and ran a number of workshops during 2019 starting with our executive team and 150 managers. We also continued a number of locally relevant workshops on inclusive leadership, equality and diversity. In 2019 we implemented our Family Friendly policy. One of the goals of this policy is to ensure that we keep and attract both male and female talent in our talent pool. Our key goal for 2020 is that diversity in our workforce, including gender balance across all job families and job levels, should reflect the accessible talents in the local market.

Gender composition of management
The Ramboll Equal Gender Policy supports the principle of equal gender representation at board and management levels. We acknowledge the need for diversity and high professional competence criteria for board members and individuals in management positions. For the Executive board the goal is to have 1 female professional representative and 1 female employee elected member at the next election process in 2022.
The Board of Directors consisted of 1 woman and 7 men - which is not in line with our target. There was no natural change of positions during 2019. The Board of Directors were reduced from 9 to 8. All hiring processes for top management follow our procedure to focus on unconscious bias. Our goal for top management is to reflect the gender distribution in the company.

The Gender distribution among employees in Rambøll Danmark A/S is 32 % female and 68 % male. This is above the recruitment base from universities and other commercial educations. The gender composition at management levels improved slightly in 2019. Each gender should be proportionally represented in management positions to reflect the actual proportion of the general gender distribution in the Company. We have not reached the targeted gender distribution level yet, although we are continuously improving. We actively work with succession planning in order to develop female managers in the future. We ensure that our hiring process and job announcements are performed in a way that minimize unconscious bias. Top management is involved in the Danish Diversity council, elected female managers are used as role models and exposed to students at the STEM educations. Furthermore, we cooperate with DI and DA to make the STEM educations attractive to females.

Subsequent events
In 2020, the outbreak of the COVID-19 virus has spread through the global community impacting the outlook for the global markets. As this occurred in 2020, it is assessed as a non-adjusting subsequent event which should not have material impact on the assessment of the financial statements for 2019.
The Management is not aware of any other events subsequent to 31 December 2019 that are expected to have a material impact on Ramboll's financial position.

Looking to the future
In 2020, the outbreak of the COVID-19 virus has spread through the global community resulting in an uncertain outlook for the world economy 2020. The financial impact of the COVID-19 virus for Ramboll cannot be reliably measured at this time, however, it is expected to have a negative impact on our operations. We expect to only see moderate growth or even decline in activities in several markets and a decline in EBITA margin compared to 2019.
Our key focus is to continue adapting our activity to the general economic conditions and to continue consolidating and integrating our business.

Key figures and financial ratios	2019*	2018	2017	2016	2015
Income statement, DKK million:					
Revenue	2.862	2.694	2.746	2.853	2.760
Operating profit	162	111	203	224	224
Profit before financials	176	118	212	196	198
Result of net financials	-9	-4	-6	-7	-5
Profit for the year	126	88	150	136	131
Balance sheet, DKK million:					
Total assets	2.076	1.748	1.604	1.474	1.460
Investments in tangible fixed assets	36	60	49	31	51
Shareholders' equity	545	416	425	402	373
Financial ratios in %:					
Profit margin	6,1	4,4	7,7	6,9	7,2
Return on invested capital	8,5	6,8	13,2	13,3	13,6
Solvency ratio	26	24	27	27	26
Return on equity	26	21	36	35	32

Calculation of financial ratios:

Profit margin:	(Profit before financials x 100)/Revenue
Return on invested capital	(Profit before financials x 100)/Total assets
Solvency ratio:	(Equity at the end of period x 100)/Total assets
Return on equity:	(Profit for the year x 100)/average equity

*) As of 1 January 2019
Rambøll Danmark A/S merged with its subsidiary MMG Denmark ApS in accordance with the pooling of interest method and demerged a few business activities to a new company Ramboll Accredited A/S. The comparative figures for 2018 have been restated accordingly. Comparative figures for 2015-2017 have not been restated.

Basis of accounting
The Annual Report of Rambøll Danmark A/S for 2019 is prepared in accordance with the provisions applicable to large enterprises in accounting class C under the Danish Financial Statements Act and is presented in DKK 1,000.

As the company and the underlying subsidaries are included in the Consolidated Financial Statements of Ramboll Group A/S, the company has chosen not to prepare consolidated financial statements with reference to section 112 of the Danish Financial Statements Act, and with reference to section 86(4) of the Danish Financial Statements Act no cash flow statement is prepared. We refer to the Annual Report of the Parent Company, Ramboll Group A/S.

The accounting policies are unchanged from previous years.

Recognition and measurement
The financial statements are prepared in accordance with the historical cost convention.

Income is recognised in the income statement as earned. Furthermore value adjustments of financial assets and liabilities measured at fair value or cost. Moreover all expenses incurred to achieve the earnings for the year are recognised in the income statement including depreciation, amortisation, other provisions as well as reversals due to accounting estimates of amounts that have previously been recognised in the income statement.

Assets are recognised in the balance sheet when it is likely that future economic benefits will accrue to the company, and the value of the asset can be measured reliably.

Liabilities are recognised in the balance sheet when it is likely that future economic benefits will accrue from the company, and the value of the liability can be measured reliably.

Assets and liabilities are initially measured at cost. Subsequently, assets and liabilities are measured as described for each item.

Recognition and measurement take into account all predictable losses and risks occurring before the presentation of the Annual Report which confirm or invalidates affairs and conditions existing at the balance sheet date.

Danish kroner (DKK) is used as the measurement currency. All other currencies are regarded as foreign currencies.

Foreign currency translation
Transactions in foreign currencies are translated into DKK using the exchange rates prevailing at the dates of the transactions. Gains and losses arising due to differences between the transaction date rates and the rates prevailing at the date of payment are recognised as an item under financial income and expenses in the income statement.

Receivables, liabilities and other monetary items in the foreign currencies that have not been settled at the balance sheet date are translated at the exchange rates prevailing at the balance sheet date. Any differences between the exchange rates at the balance sheet date and the transaction date rates are recognised as an item under financial income and expenses in the income statement.

The income statement for the Company's subsidiaries, associates and joint ventures abroad are translated to average exchange rates while the balance sheet items including goodwill relating to foreign enterprises are translated to the exchange rates at the balance sheet date.

Exchange rate adjustments arising on the translation of the opening equity of foreign enterprises and exchange adjustments arising from the translation of income statement at average exchange rates are recognised directly in equity.

Leases
Leases, in terms of which the company assumes all substantial risks and rewards of ownership (finance leasing), are recognised in the balance sheet at the lower of the fair value of the leased asset and net present value of the lease payments computed by applying the interest rate implicit in the lease or the approximated value as the discount rate. Assets acquired under finance leases are depreciated and written down for impairment under the same policy as determined for the other fixed assets of the Company.

The remaining lease obligation is capitalised and recognised in the balance sheet under debt, and the interest element on the lease payment for the other fixed assets of the Company.

All other leases are considered operating leases. Payments made under operational leases are recognised in the income statement on a straight-line basis over the lease term.

Derivatives
Derivatives are initially recognized in the balance sheet at cost and subsequently measured at fair value. Positive and negative fair values of derivative financial instruments classified as "Other receivables" and "Other liabilities".

Change in fair value of derivative financial instruments are recognized in the income statement unless the derivative financial instrument is designated as and qualifying for accounting cover, see below.

Change in fair value of financial instruments that are designated and qualify to hedge expected future transactions are recognized in equity under retained earnings with respect to the effective portion of the cover. The ineffective portion is recognized in the income statement.

Mergers (Pooling of Interests)
In the case of intra-group mergers, the pooling of interest method is used. Hereby the two companies are merged into book values and no differences are identified. Any consideration that exceeds the book value of the acquired business is recognized directly in equity. The aggregation method is carried out as if the two companies have always been combined by adjusting comparative figures.

Segment information
Segment information is presented in respect of the distribution of the revenue on geographical markets and on core business areas.

Income statement

Revenue
Fee income is recognised as production is performed (percentage of completion method), according to which the revenue corresponds to the selling price of the work performed for the year including a calculated Profit. Fee income therefore reflect the scope of the activity for the year. This method is applied when total income and expenses in respect of a contract and the stage completion at the balance sheet date can be measured reliably, and it is probable that the future economic benefits, including payments, will accrue to the Company.

Revenue is recognised exclusive of VAT and net discounts relating to sales.

Project costs
Project costs consist of costs directly to projects, such as travel and accommodation, consulting assistance, project insurance, IT expenses as well as provisions and losses realised on the projects.

External costs
External costs consist of expenses which are not project related, such as costs relating to premises, office supplies, IT expenses, travel and transportation, management fee, facility service, insurance and other administrative expenses.

Staff costs
Staff costs comprise wages and salaries, holiday pay and social security costs etc.

Deprecation and amortisation
Deprecation and amortisation consist of depreciation and amortisation of goodwill, leasehold improvements, software, licenses etc. and plant and equipment comprising printing machines, cars, IT equipment and other equpiment.

Other operating income and expenses
Other operating income and other operating expenses comprise items of a secondary nature to the core activities of the enterprises including gains and losses on the sale of activities, intangible assets and fixed assets. Furthermore integration and restructuring costs are presented as other operating costs. Restructuring costs comprise redundancies and rent related to vacant properties, when part of a larger restructuring scheme. In order to present a more true and fair view of the operations, other operating income and expenses has been presented after operating profit.

Financial income and expenses
Financial income and expenses consist of interest income and expenses, foreign exchange gain or loss (realised and unrealised) and other financial income and expenses.

Corporation tax and deferred tax
The Company is jointly taxed with the Parent Ramboll Group A/S and Danish group enterprises of Ramboll Group A/S. Ramboll Group A/S acts as administration company. The jointly taxed companies are included in the Danish tax prepayment scheme.

The tax effect of the joint taxation is allocated to Danish enterprises showing profits or losses in proportion to their taxable profit (full allocation with credit for tax losses). The total tax on the taxable profit of Rambøll Danmark A/S is paid to Ramboll Group A/S.

Tax consists of current tax and deferred tax for the year. The tax attributable to the net profit for the year is recognised in the income statement at the amount attributable to the net profit for the year. Tax attributable to entries directly to equity transactions is recognised in equity.

Current tax receivables and liabilities are recognised in the balance sheet at the amount calculated on the basis of the expected taxable profit adjusted for tax on taxable profit for prior years until settlement with the Parent.

Deferred tax is measured under the balance sheet liability method in respect of all temporary differences between the carrying amount and the tax base of assets and liabilities. Deferred tax is not recognised in the respect of temporary differences concerning amortisation of goodwill disallowed for tax purposes.

Deferred tax is measured on the basis of the current tax rules and tax rates that are expected to apply when the temporary differences have been settled. Changes in deferred tax due to changes in tax rates are recognised in the income statement.

Deferred tax assets, including the tax base of a tax loss allowed for carryforward, are measured at the value which the asset is expected to be realised, either by elimination in tax on future earnings or by offsetting against deferred tax liabilities.
Deferred tax assets and liabilities are offset within the same legal tax entity.

Balance sheet

Intangible assets

Goodwill

Goodwill is amortised on a straight-line basis over the estimated useful life, determined on the basis of the Management's experience in the individual business areas.

Software and licences

Software and licences are capitalised to cost of acuisitions and amortised over an appropriate expected useful life, which comprise:

Software and licences	3-7 years

Tangible assets

Tangible assets are measured at cost less accumulated depreciation and impairment losses.

Cost comprises cost of acquisitions and expenses directly attributable to the acquisition up until the time when the asset is ready for use.

Depreciation based on cost reduced by any residual value is calculated on a straight-line basis over the expected useful lives of the assets, which comprise:

Plant and equipment	3-5 years
Leasehold improvements	1-10 years

Impairment on fixed assets

The book value of intangible and tangible assets is reviewed annually to determine whether there is is any indication of impairment losses other than that expressed by depreciation and amortisation. If so, an impairment test is carried out to determine whether the recoverable amount is lower than the carrying amount, and the asset is written down to its lower recoverable amount. This impairment test is performed annually for development projects in progress irrespective of any indication of decrease in value.

The recoverable amount of the asset is calculated as the higher of the net selling price and value in use. If it is not possible to determine a recoverable amount for the individual asset, the assets are assessed in the smallest group of assets for which a reliable recoverable amount can be determined based on a total assessment.

Goodwill and other assets for which a separate value in use cannot be determined, as the asset does not generate future cash flows on an individual basis, are reviewed for impairment together with the group of assets to which they are attributable.

Fixed asset investment

Participating interests in subsidiaries and associates as well as joint ventures are recognised and measured under the equity method. The proportionate share of profit for the year less amortisation of goodwill is recognised in the income statement under "Profit from subsidiaries" and "Profit from associates and joint ventures".

The items "Participating interests in subsidiaries" and "Participating interests in associates and joint ventures" in the balance sheet include the proportionate ownership interests of the net equity value of the enterprises calculated on the basis of the fair value of the identifiable net assets at the time of acquisition with deduction or addition of unrealised intercompany profits or losses and with addition of any remaining value of positive differences (goodwill) and deduction of any remaining value of negative differences (negative goodwill).

The total net revaluation of participating interests in subsidiaries and associates is transferred upon distribution of profit to "Net revaluation reserve according to the equity method" under equity. The reserve is reduced by distribution of dividend to the Parent and adjusted for other changes in equity in subsidiaries and associates.

On acquisition of subsidiaries and associates, the difference between cost and equity value of the enterprise acquired is determined at the date of acquisition after the individual assets and liabilities have been adjusted to fair value (the acquisition method). Any remaining positive differences (goodwill) are recognised in participating interests in subsidiaries and participating interests in associates respectively, and are amortised in the income statement on a straight-line basis over the estimated useful life of the investment.

Other investments stated under fixed asset investments are measured at cost less any impairment following an individual assessment.

Receivables
Accounts receivables, trade are measured in the balance sheet at the lower of amortised cost or net realisable value, which corresponds to the nominal value less provisions for bad debts. Provisions for bad debts are determined on the basis of an individual assessment of each debtor.

Work in progress
Work in progress is measured at selling price of the work performed calculated on the basis of the stage of completion based on an assessment of the individual work. The stage of completion is measured either on the basis of the share of the contract expenses incurred in relation to the expected total expenses of the contract or as the ratio between the number of hours spent and the expected total number of hours. Where it is likely that the total contract expenses will exceed the total income from a contract, the expected loss is recognised as an expense in the income statement.

Where the selling price cannot be measured reliably, the selling price is measured at the lower of expenses incurred and net realisable value.

Invoicing on account is deducted from the selling price. The individual contracts are classified as account receivables when the net selling price is positive and as liabilities when pre-invoicing exceeds the selling price.

Expenses relating to sales work and the winning of contracts are recognised in the income statement as incurred.

Prepayments
Prepayments consist of expenses paid relating to subsequent financial year. This typically includes prepaid expenses regarding rent, insurance premiums, subscriptions and interest.

Equity
Dividend distribution proposed by Management for the year is disclosed as a seperate equity item.

Provisions
Provisions are recognised when - in consequence of an event occurred before or on the balance sheet date - the Company has a legal or constructive obligation and it is probable that economic benefits must be given up to settle the obligation.

Provisions comprise among other things compensations relating to advisory services provided. Compensations are recognised on the basis of an individual assessment of each case.

Other payables
Other payables are measured at amortised cost, substantially corresponding to their nominal value.

Other payables mainly consist of salary related items (bonuses, pension, holiday accruals etc.), VAT and provisions for not received vendor invoices.

Financial ratios
The ratios have been calculated in accordance with the guidelines issued by The Danish Society of Financial Analysts.

Income statement (DKK thousand)

	Note	2019	2018
Revenue	1	2.861.595	2.693.739
Project costs		-475.558	-404.747
Gross profit		**2.386.037**	**2.288.992**
External costs		-282.648	-324.594
Staff costs	2	-1.881.342	-1.798.910
Depreciation and amortisation	3	-59.886	-54.580
Operating profit		**162.161**	**110.908**
Other operating income		3.738	2.209
Other operating costs	4	-20.010	-4.857
Profit from subsidiaries	10	10.319	-9.849
Profit from associated companies and joint ventures	11	19.360	19.291
Profit before financials		**175.568**	**117.702**
Financial income	5	5.465	3.820
Financial expenses	6	-14.188	-7.324
Profit before tax		**166.845**	**114.198**
Tax	7	-40.808	-26.161
Profit for the year		**126.037**	**88.037**

Balance sheet (DKK thousand)

Assets	Note	31/12 2019	31/12 2018
Goodwill		20.011	25.578
Software, licenses etc.		11.399	8.246
Intangible assets	8	**31.410**	**33.824**
Plant and equipment		59.900	76.766
Leasehold improvements		22.368	22.766
Tangible assets	9	**82.268**	**99.532**
Investments in subsidiaries	10	161.808	146.950
Investments in associated companies and joint ventures	11	58.465	54.608
Other investments	12	174	174
Deposit	13	20.836	13.390
Investments		**241.283**	**215.122**
Total fixed assets		**354.961**	**348.478**
Accounts receivables, trade	14	597.251	664.278
Work in progress	15	485.601	360.988
Outlays and other receivables		129.082	86.856
Receivables from group companies		81.319	89.167
Receivables from Parent company concerning deposits on cash pool accounts		270.107	33.265
Tax receivables		38.741	42.779
Prepayments		93.630	99.660
Receivables		**1.695.731**	**1.376.993**
Cash at bank and in hand		**24.968**	**22.287**
Total current assets		**1.720.699**	**1.399.280**
Total assets		**2.075.660**	**1.747.758**

Balance sheet (DKK thousand)

Equity and liabilities	Note	31/12 2019	31/12 2018
Share capital		35.000	35.000
Net revaluation according to the equity method		0	0
Retained earnings		509.977	381.367
Shareholders' equity		**544.977**	**416.367**
Provision for deferred tax	16	119.000	149.926
Provision for claims etc.	17	58.064	59.317
Total provisions		**177.064**	**209.243**
Other long-term payables	18	70.645	4.167
Total long-term liabilities		**70.645**	**4.167**
Prepayment from customers	15	614.594	438.475
Trade payables		157.833	139.354
Payables to group companies		61.983	96.512
Corporate tax		52.608	626
Other payables	19	395.956	443.014
Total short-term liabilities		**1.282.974**	**1.117.981**
Total liabilities		**1.353.619**	**1.122.148**
Total liabilities and shareholders' equtiy		**2.075.660**	**1.747.758**

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Statement of changes in equity (DKK thousand)

	Share capital	Net revaluation according to the equity method	Retained earnings	Dividend	Total
Total equity at 1 January 2018	35.000	0	290.281	100.000	425.281
Adjustment due to legal setup			-2.500		-2.500
Exchange rate adjust. in subsidiaries		2.901			2.901
Contribution to subsidiaries		2.578			2.578
Derivative financial instruments			70		70
Paid dividend				-100.000	-100.000
Profit for the year		-5.479	93.516		88.037
Total equity at 31 December 2018	**35.000**	**0**	**381.367**	**0**	**416.367**
Exchange rate adjust. in subsidiaries		1.409			1.409
Derivative financial instruments			1.164		1.164
Profit the year		-1.409	127.446		126.037
Total equity at 31 December 2019	**35.000**	**0**	**509.977**	**0**	**544.977**

The share capital of DKK 35,000,000 consists of 35,000 shares with a nominal value of DKK 1,000 each.

No changes have been made in the share capital in the last 5 years.

Notes (DKK thousand)

1 Revenue

	2019	2018
Revenue by service area:		
Buildings	1.019.913	958.446
Transport	580.278	504.461
Energy	773.155	793.868
Environment & Health	269.729	227.776
Water	218.520	209.188
	2.861.595	2.693.739
Revenue by sector:		
Public customers	1.059.875	983.393
Private customers	1.801.720	1.710.346
	2.861.595	2.693.739
Revenue by World:		
European customers	2.689.095	2.545.053
Customers in the rest of the World	172.500	148.686
	2.861.595	2.693.739

2 Staff costs

	2019	2018
Wages and salaries	1.685.887	1.618.232
Pensions	142.071	128.956
Social security costs	25.499	24.806
Total	1.853.457	1.771.994
Executive board	27.885	26.916
Board of directors	0	0
	1.881.342	1.798.910
Average number of employees (registered hours)	2.746	2.751
Number of employees at the end of the financial year	2.985	2.995

3 Depreciation and amortisation

	2019	2018
Software, licenses etc.	4.310	4.963
Goodwill	4.727	5.327
Leasehold improvements	6.232	5.536
Plant and equipment	44.617	38.754
	59.886	54.580

Notes (DKK thousand)

4 Other operating costs

	2019	2018
Integration costs	2.649	0
Restructuring costs - redundancies	10.326	4.795
Restructuring costs - vacant premises	2.709	0
Restructuring costs - other	3.181	0
Loss on disposals, fixed assets	1.145	62
	20.010	4.857

5 Financial income

	2019	2018
Interest gain from group companies	160	194
Foreign exchange gain	5.033	3.557
Other financial income	272	69
	5.465	3.820

6 Financial expenses

	2019	2018
Interest expense to group companies	531	417
Foreign exchange loss	9.367	4.954
Other financial expenses	4.290	1.953
	14.188	7.324

7 Tax

	2019	2018
Current tax on the profit for the year, Denmark	39.757	-14.107
Change in deferred tax for the year	-7.813	41.863
Adjustment of current tax related to previous years	6.605	69.669
Adjustment of deferred tax related to previous years	73	-72.623
Foreign corporation tax paid	2.186	1.359
Total tax	40.808	26.161

The Ramboll Group's Danish companies are jointly and severally liable for tax on consolidated taxable income, etc. The total amount are included in the annual report of the Ramboll Group A/S, which is the management company in relation to joint taxation.

8 Intangible assets

	Goodwill	Software licenses etc.
Cost at 1 January	77.019	23.678
Additions	0	7.463
Disposals	-840	-2.807
Cost at 31 December	76.179	28.334
Amortisation at 1 January	51.441	15.432
Disposals	0	-2.807
Amortisation for the year	4.727	4.310
Amortisation at 31 December	56.168	16.935
Book value at 31 December	20.011	11.399
Amortisation period	1-10 years	3-7 years

9 Tangible assets

	Plant and equipment	Leasehold improvements
Cost at 1 January	293.621	60.904
Additions	29.910	6.051
Disposals	-55.265	-927
Cost at 31 December	268.266	66.028
Depreciation at 1 January	216.855	38.138
Disposals	-53.106	-710
Depreciation during the year	44.617	6.232
Depreciation at 31 December	208.366	43.660
Book value at 31 December	59.900	22.368
Depreciation period	3-5 years	1-10 years
Including assets under finance leases of DKK thousand	3.262	

10 Investments in subsidiaries

	31/12 2019	31/12 2018
Cost at 1 January	191.040	180.143
Additions	9.738	10.897
Disposals	-3.380	0
Cost at 31 December	197.398	191.040
Revaluation value at 1 January	-47.348	-42.978
Net profit for the year before goodwill amortisation	14.922	-6.794
Contributions to subsidiaries	0	2.578
Amortisation goodwill	-4.603	-3.055
Exchange rate adjustment	1.410	2.901
Revaluation at 31 December	-35.619	-47.348
Reclassification at the end of the year	29	3.258
Book value at 31 December	161.808	146.950
Including net book value of group goodwill	17.351	15.259

All subsidiaries are 100% owned and specified as follows:

Name and domicile	Share capital	Equity
Rambøll Grønland A/S, Nuuk	500 tDKK	12.495
Ramboll Oil & Gas Middle East A/S, Copenhagen	8,000 tDKK	8.911
Ramboll Consulting Engineering Office W.L.L., Doha	15.000 tQAR	70.257
PT Ramboll Telecom Indonesia, Jakarta	8,511 mIDR	2.694
Rambøll Oil & Gas Norway AS, Sandefjord	1,320 tNOK	7.328
Aagaard & Jensen A/S, Copenhagen	500 tDKK	1.259
G.M. Idorn Consult A/S, Copenhagen	500 tDKK	1.067
K.F.W.Askøes Eftf. af 2006 A/S, Copenhagen	2,000 tDKK	1.711
Ramboll Polska Sp.z.o.o., Warszava	128 tPLN	2.540
Ramboll AG, Switzerland	200 tCHF	6.215
Ramboll South East Europe S.R.L	24,274 tRON	29.750
Rambøll Oil and Gas UK ltd.	5,519 tGBP	-29
Ramboll Inc.	400 tCAN	70
Ramboll Denmark Contracting ApS, Copenhagen	125 tDKK	160
		144.428
Group goodwill		17.351
Profit and investment in subsidiaries		161.779
Reclassification, subsdaries with negative equity		29
Investments in subsidiaries		161.808

Notes (DKK thousand)

11 Investments in associated companies and joint ventures

	31/12 2019	31/12 2018
Cost at 1 January	38.372	38.372
Additions	155	0
Cost at 31 December	38.527	38.372
Revaluation value at 1 January	16.236	16.615
Profit for the year	19.360	19.291
Dividends distributed/repayments	-15.658	-19.670
Revaluation value at 31 December	19.938	16.236
Book value at 31 December	58.465	54.608

Information about associated companies:	Ownership interest in %	Equity	Profit for the year
Name and domicile			
Odeon A/S, Lyngby	21,75	6.848	1.482
Ramboll India Private Ltd., Delhi	33	148.554	22.816

	share in %:
Name and domicile	
Joint venture with Rambøll Danmark A/S as lead partner:	
Joint venture with a contractual sum of > DKK 100 million:	
Rambøll-Atkins-Emch og Berger-Parsons JointVenture, Copenhagen	34
Rådgivergruppen DNU Joint Venture, Aarhus	16,7
Rambøll Arup TEC Joint Venture, Copenhagen	50
Rambøll Atkins Joint Venture, Copenhagen	50
Forth Design Joint Venture, Copenhagen	37
The Alliance JV, Esbjerg	25
Rambøll Arup Nordhavn JV, Copenhagen	58,5
Joint venture with a contractual sum of < DKK 100 million:	
Rambøll Arup Joint Venture, Copenhagen	80
Rambøll Niras Ensi Joint Venture, Copenhagen	55
Ramboll OCG SCE Joint Venture, Copenhagen	73,97
6 smaller Joint Ventures	53-85
Joint venture with Rambøll Danmark A/S as general partner:	
3 smaller Joint Ventures - having a total contractual sum of between DKK 13-75 million	6-50

Notes (DKK thousand)

12 Other investments

	31/12 2019	31/12 2018
Cost at 1 January	174	174
Cost at 31 December	174	174

13 Deposits

	31/12 2019	31/12 2018
Cost at 1 January	13.390	15.652
Additions	7.469	247
Disposals	-23	-2.509
Cost at 31 December	20.836	13.390

14 Accounts receivables, trade

All accounts receivables, trade are due for payment within one year.

15 Work in progress

	31/12 2019	31/12 2018
Selling price of the production for the end of period	8.768.376	8.122.817
Invoicing on account	-8.897.369	-8.200.304
Work in progress, net	-128.993	-77.487
Recognised in the balance sheet as follows:		
Work in progress under assets	485.601	360.988
Payment from customers under liabilities	-614.594	-438.475
	-128.993	-77.487

16 Provision for deferred tax

	31/12 2019	31/12 2018
Provision for deferred tax at 1 January	149.926	180.686
Change in deferred tax recognized in income statement	-30.926	-30.760
Provision for deferred tax at 31 December	119.000	149.926
Deferred tax relates to:		
Fixed assets	-18.148	-15.831
Trade receivables	-4.159	-2.484
Work in progress	149.635	173.751
Other balance sheet items	-8.328	-5.510
	119.000	149.926
Deferred tax is calculated using the statutory corporate income tax rate of	22%	22%

Notes (DKK thousand)

17 Provisions for claims etc.

	31/12 2019	31/12 2018
Balance at 1 January	59.317	63.716
Additions	7.314	10.888
Disposals	-8.567	-15.287
Balance at 31 December	58.064	59.317

18 Total long-term liabilities

	31/12 2019	31/12 2018
Due after 5 years	67.279	0
Due 1-5 years	3.366	4.167
	70.645	4.167
Of which calculated finance lease payments	2.182	3.512

19 Other payables

	31/12 2019	31/12 2018
Holiday pay	184.735	242.106
Value added tax	50.804	49.766
Wages and salaries due	123.083	104.662
Other items	37.334	46.480
	395.956	443.014
Of which calculated finance lease payments	1.262	1.363

20 Distribution of profit

	31/12 2019	31/12 2018
Proposed distribution of profit for the year:		
Proposed dividend	0	0
Net revaluation according to the equity method	-1.409	-5.479
Retained earnings	127.446	93.516
	126.037	88.037

Notes (DKK thousand)

21 Contingent liabilities

	31/12 2019	31/12 2018
Surety given for prepayments	224.809	178.693
Surety given, other	114.989	112.693
Suretyship	3.400	3.400
	343.198	294.786

Rambøll Danmark A/S is part to legal proceedings. These are not expected to have any significant impact on the company's Annual Report.

Rambøll Danmark A/S is a party in a number of joint ventures, which are contractually operated jointly and controlled jointly with one or more undertakings. Rambøll Danmark A/S has assumed joint and several liability for the liabilities of the joint ventures. Rambøll Danmark A/S is lead partner in 16 joint ventures and partner in 3 joint ventures. Rambøll Danmarks A/S' shares in the joint ventures is different from each joint ventur

22 Rent obligations

	31/12 2019	31/12 2018
Due within 1 year	104.766	107.642
Due within 1 to 5 years	361.590	363.354
Due after 5 years	91.686	181.008
	558.042	652.004

23 Operational lease obligations

	31/12 2019	31/12 2018
Due within 1 year	5.410	5.239
Due within 1 to 5 years	4.535	7.322
	9.945	12.561

24 Auditors' fee

With reference to the Danish Financial Statements Act, Section 96, subsection 3, information about Remuneration for the auditors elected by the annual general meeting has been left out. We refer to the consolidated annual accounts for Ramboll Group A/S

Notes (DKK thousand)

25 Related parties and ownership

Transactions:

Transactions with related parties is conducted on normal trading terms.

Control:	Basis:
Rambøll Foundation, Copenhagen	Principal shareholder in Ramboll Group A/S
Ramboll Group A/S, Copenhagen	Owns 100% of the shares in Rambøll Danmark A/S

Other related parties: Basis:

The Management of the Company as well as group companies, associated companies and joint ventures.

26 Subsequent events

The implications of COVID-19 with many governments across the world deciding to "close down their countries" will have great impact on the global economy. Management considers the implications of COVID-19 a subsequent event occurred after the balance sheet date (31 December 2019), which is therefore a non-adjusting event to the Company.

Many of the Company's customers have indicated that they will continue projects in progress, but there is still a risk that COVID-19 will have negative impacts on the Company's revenue and earnings in 2020. Management is monitoring developments closely. It is, however, too early yet to give an opinion as to whether and, if so, to what extent COVID-19 will impact revenue and earnings in 2020. Naturally, Management will make an effort to recapture any lost revenue later in the year.